

# **MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY**

## **OPEN MEETING MINUTES**

**May 14, 2020**

**The regular meeting of the Maryland Small Business Development Financing Authority convened at 1:00 p.m. via teleconference only at 470-869-2200/meeting ID 428-245-6027 due to the COVID-19 pandemic.**

**The following were in attendance at this meeting:**

<b>Authority Members</b>	<b>MMG Staff</b>
<b>Les Hall</b>	<b>Randy Croxton</b>
<b>Sharon Pinder</b>	<b>Anthony Williams</b>
<b>Clemis Kaikis</b>	<b>Mark Harrison</b>
<b>Chuck Martin</b>	<b>Stanley Tucker</b>
<b>Mara Sierocinski</b>	<b>Robin Harris</b>
<b>Gina Ramsey</b>	
<b>Kenny Oreagba</b>	

**Attorney General's Office**  
**Barbara Kountz, Deputy Counsel**

## **AGENDA**

### **MINUTES**

April 23, 2020

### **MODIFICATION**

Binge Now, LLC

### **NEW REQUEST**

Mahogany, Inc.

The closed session of the April 23, 2020, meeting was summarized. The Authority Board meeting was attended by Les Hall, Clem Kaikis, Laura Pasternak, Gina Ramsey, Chuck Martin, Sharon Pinder, Mara Sierocinski, and Kenny Oreagba. The meeting was closed to comply with requirements of the Maryland Public Information Act so that there would not be disclosure of confidential, commercial, and financial information associated with the applicants. The meeting was closed to discuss the following:

All of the requests were approved.

1. Mahogany, Inc. – (extension) Extend guaranty of Harbor Bank \$1,250,000 line of credit to August 20, 2020 subject to payment of guaranty fee for period of October 2019 to August 2020. This request was unanimously approved.
2. Transdermal Specialties Global, Inc. - Approve following modifications: increase investment to \$337,500; disburse in three tranches subject to certain conditions for each disbursement; allow assignment of life insurance to be provided post-closing with evidence of policy to be provided prior to closing; evidence of rights to certain intellectual property to be provided prior to closing; waiver of the requirement of the equity investment and Fulton Bank loan prior to closing; allow a virtual tour of the facility if actual site inspection not possible. This request was unanimously approved.
3. Visionary Women's Health, LLC - Modify the number of health care insurance providers required prior to closing and full disbursement. This request was unanimously approved.
4. Newman's Body Shop Personal Training, Inc. - \$35,000 EPIP term loan and \$200,000 EPIP line of credit. This request was unanimously approved.
5. REACH, LLC - \$80,000 term loan. This request was approved. Laura Pasternak and Clem Kaikis abstained from voting.
6. ROSCO USA LLC dba 7-Eleven (Pasadena) – 70% guaranty of \$455,000 loan from Harbor Bank with a guaranty term of 7 years. This request was unanimously approved.

## MINUTES

April 23, 2020

### Action Taken:

Upon motion duly made and seconded, the Authority unanimously approved the minutes as presented.

**EXTENSION**

**Presenter:** Randy Croxton

**Applicant:** Unified Solutions Services, LLC

**Loan Amount:**  
1. \$550,000 Surety Bond Direct  
2. \$120,000 Contract Financing Line of Credit


**Comments:** Approval was requested for a 60-day approval extension of the Line of Credit Renewal to June 25, 2020; and a 30-day approval extension of the new Term Loan through May 28, 2020, to allow time to settle the two facilities.

**Discussion:** The following was discussed:  
1. Existing maturity date on the line of credit; number of extension requests to date  
2. Reasons why the facilities have been delayed in closing  
3. Possible restriction of advancements on the line of credit; no more extensions

**Action Taken:** Upon motion duly made and seconded, the Authority unanimously approved the requests as presented.

The Open Meeting then closed at 1:20 p.m. upon motion made and seconded, and approved by all voting members, the meeting was closed pursuant to General Provisions Article, Section 3-305(b) (13), "to comply with a specific... statutory... requirement that prevents public disclosures about a particular proceeding or matter", that is, the Maryland Public Information Act prohibits disclosure of trade secrets, confidential commercial and confidential financial information. Chairman Les Hall signed the Presiding Officer's Written Statement for Closing a Meeting under the Open Meetings Act, which is attached to these minutes as an exhibit.

**APPROVED:**

  
Celester A. Hall  
Chairman

**DATE:**

6-15-20

**MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY**

**PRESIDING OFFICER'S WRITTEN STATEMENT FOR CLOSING A MEETING  
UNDER THE OPEN MEETINGS ACT  
(General Provisions Article § 3-305)**

**1. Recorded vote to close the meeting:**

Date: May 14, 2020

Time: 1:19 pm – 2:15 pm

Location: telephone conference call only due to COVID 19 pandemic  
(470.869.2200/meeting ID 428 245 6027)

Motion to close meeting made by: Gina Ramsey; Seconded by Clemis Kaikis

Vote to Close Session:

	AYE	NAY	ABSTAIN	ABSENT
Celester Hall, Chair, Designee Secretary of Commerce	[ x ]	[ ]	[ ]	[ ]
Clemis Kaikis, designee of Comptroller	[ x ]	[ ]	[ ]	[ ]
Charles Martin	[ x ]	[ ]	[ ]	[ ]
Kehinde Oreagba	[ x ]	[ ]	[ ]	[ ]
Laura Pasternak	[ ]	[ ]	[ ]	[ x ]
Sharon Pinder	[ x ]	[ ]	[ ]	[ ]
Gina Ramsey	[ x ]	[ ]	[ ]	[ ]
Mara Sierocinski	[ x ]	[ ]	[ ]	[ ]

**2. Citation of statutory authority to close session (check all that apply): This meeting is being closed under General Provisions Article § 3-305(b), only:**

\_\_\_\_ (1) To discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom this public body has jurisdiction; any other personnel matter that affects one or more specific individuals;

\_\_\_\_ (2) To protect the privacy or reputation of individuals concerning a matter not related to public business;

\_\_\_\_ (3) To consider the acquisition of real property for a public purpose and matters directly related thereto;

\_\_\_\_ (4) To consider a matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State;

\_\_\_\_ (5) To consider the investment of public funds;

\_\_\_\_ (6) To consider the marketing of public securities;

**X** (7) To consult with counsel to obtain legal advice on a legal matter;

\_\_\_\_ (8) To consult with staff, consultants, or other individuals about pending or potential litigation;

\_\_\_\_ (9) To conduct collective bargaining negotiations or consider matters that relate to the negotiations;

\_\_\_\_ (10) To discuss public security, if the public body determines that public discussion would constitute a risk to the public or to public security, including: (i) the deployment of fire and police services and staff; and (ii) the development and implementation of emergency plans;

\_\_\_\_ (11) To prepare, administer, or grade a scholastic, licensing, or qualifying examination;

\_\_\_\_ (12) To conduct or discuss an investigative proceeding on actual or possible criminal conduct;

**X** (13) To comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter;

\_\_\_\_ (14) Before a contract is awarded or bids are opened, to discuss a matter directly related to a negotiating strategy or the contents of a bid or proposal, if public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process.

**3. Disclosure of the topics to be discussed, for each citation checked above:**

§3-305(b)(13) topics: Discussion and evaluation of the applications received from potential borrowers for financial assistance under programs of the Maryland Small Business Development Financing Authority, which applications include the disclosure of financial information of private individuals and confidential commercial and financial information.

§3-305(b)(7) topics: Legal advice from counsel to the Authority with respect to the applications.

4. For each topic listed in #2, disclosure of the reason for discussing it in closed session rather than in open session:

§3-305(b)(13): Financial information of private individuals is protected from disclosure under the Maryland Public Information Act (§4-336) and confidential commercial and financial information is protected from disclosure under the Maryland Public Information Act (§4-335).

§3-305(b)(7): Protection of the attorney-client privilege.

**This statement is made by Celester Hall, Chair of the Maryland Small Business Development Financing Authority, Presiding Officer.**



Celester Hall  
Chair